

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao- Goa
Third Year BBA (FS) – Semester VI
End Semester Examination, April 2017

FINANCIAL STATEMENT ANALYSIS AND DECISION MAKING

Duration: 1.5 Hours

Max.Marks: 50

Instructions:

- *Figures to the right indicate maximum marks*
- *Answer ANY 2 from Q.1 to Q.3*
- *Answer ANY 2 from Q.4 to Q.6*
- *Start each new question on a fresh page*

Q.1. Compute the ratio's from the given below information:

(15)

Particulars	Rs.
Sales	8,00,000
Closing Stock	75,000
Opening stock	60,000
Cost of Goods sold	6,20,700
Profit before Tax	62,500
Income Tax	21,200
Fixed Assets	6,00,000
Sundry Debtors	1,05,100
Advance paid	700
Cash & Bank balance	52,200
Underwriting commission	11,000
6% Preference Share Capital	2,50,000
Equity Share Capital	3,00,000
Reserves	1,27,000
8% Debentures	1,75,000
Bank Overdraft	80,000
Sundry Creditors	47,000
Outstanding Expenses	6,250

Calculate: 1. Current Ratio.

2. Quick Ratio.

3. Proprietary Ratio.

4. Capital Gearing Ratio.

5. Stock Working Capital Ratio.

6. Stock Turnover Ratio

7. Gross Profit Ratio.

Q.2. From the following information of M/s Shah Ltd, you are required to prepare Common Size Balance Sheet and Income Statement for the year ended 31-03-2015: (15)

Particulars	Amount (Rs.)
Equity Share Capital	20,00,000
Reserves & Surplus	11,50,000
Trade Payables	2,60,000
Long term borrowings	10,00,000
Tangible Assets	33,00,000
Short term Loan and Advances	1,00,000
Non Current Investments	4,80,000
Trade Receivables	4,30,000
Cash and Cash Equivalence	1,00,000
Sales	19,00,000
Finance Cost	1,00,000
Provision for Taxation	1,20,000
Other Income	10,000
Other Expenses	7,40,000
Depreciation	6,00,000
Retained Earning	3,60,000

Q.3. From the following information of M/S Veer Ltd , you are required to prepare Comparative Balance Sheet for the year 2014-2015 and give your comments. (15)

Balance Sheet as on 31st December 2014 and 2015

Liabilities	2014 Rs.	2015 Rs.	Assets	2014 Rs.	2015 Rs.
Share Capital:			Fixed Assets	90,000	1,20,000
Equity share capital	1,05,000	2,50,000	Investment	20,000	80,000
Reserve and Surplus	10,000	1,80,000	Prepaid Expenses	12,000	10,000
10% Debentures	1,00,000	50,000	Stock	2,68,000	2,40,000
Bank overdraft	45,000	-	Debtors	80,000	1,60,000
Sundry creditors	2,00,000	90,000	Cash	10,000	30,000
Provision for taxation	25,000	70,000	Preliminary Expense	5,000	-
	4,85,000	6,40,000		4,85,000	6,40,000

Q.4. Explain the importance of preparing Value Added Statement (VAS) in an organization . (10)

Q.5. 'Window Dressing is a technique used by companies to manipulate its financial statements'. Comment. (10)

Q.6. 'Companies use Annual Report as a marketing tool to communicate with its different stakeholders'. Justify the statement. (10)
